(b) As per the provisional accounts, the fiscal deficit in the first six months upto September, 1996 was Rs. 30905 crore which works out to 49.6% of the Budget Estimate figures of Rs. 62266 crore for the year 1996-97.

(c) and (d) The position of fiscal deficit during the course of the year may vary due to temporary mismatches and cannot be a definite indicator of the year and outcome. Government would endeavour to contain fiscal deficit by maximizing revenue and controlling expenditure.

Evasion of Excise Duty by manufacturers of Polyster Staple Fibres

360. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether the anti-evasion Directorate of the Central Board of Excise and Customs (CBEC) has initiated investigations to recover over Rs. 1000 crores of Central Excise Duty allegedly evaded by manufacturers of Polyster Staple Fibre (PSF) and its users;

(b) the outcome of the investigations made; and

(c) the meausres taken to prevent such evasion of central excise duty by these polyster staple fibre manufacturers and its users?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) The Directorate General of Anti-evasion of the Central Board of Excise and Customs initiated investigations in December, 1994 on receipt of information against some manufacturers of polyster staple fibres and spinners of yarn.

Show cause notices have been issued alleging evasion of duty to the tune of Rs.10.65 crores against three manufacturers. Investigations conducted so far reveal a prima facie evasion of Rs. 11.38 crores. The total evasion involved is not likely to exceed Rs. 15 crores.

In order to prevent such evasion, steps were taken in the Budget of 1995-96 to amend the duty structure of 'waste' of Ployester Staple Fibre and all other man-made fibres by placing them under a common sub-head. A minimum excise duty of Rs. 10/-per kg. was also prescribed for all such 'waste'. A further change was made to the effect that the expression 'staple fibre' shall include 'waste' of synthetic staple fibre or filament, so that yarn manufacturer, even by use of waste fibres, pays duty.

Policy regarding reforming of Insurance Sector and Pension Funds

361. SHRI ANANTA SETHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to reform the insurance sector and tap the pension funds to finance infrastructure projects; and

(b) if so, the details regarding the policy of Government in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Common Minimum Programme (CMP) of the Government lays down that:

"There is a strong link between infrastructure development and financial sector reforms. Infrastrcture needs long term finances. The United Front Government will carry out further reforms of the financial sector so that the flow of both domestic and foreign funds to the infrasturcture sector is enhanced substantially. There is room for public sector companies and private sector companies to co-exist and compete in the financial sector. We have gained considerable experience in the working of the banking sector. The said experience will be applied to the restructuring of the insurance industry, but at the same time, public sector companies like LIC, GIC etc. will be strengthened."

During the Budget Speech in July, 1996, it had been stated that:

"An interim non-statutory Insurance Regulatory Authority was set up in January, 1996. I now propose to introduce a Bill to make it a statutory body and to empower it suitably. When I return to the subject of insurance in the next Budget. I shall address some of the policy parameters outlined in the CMP, including the sequence of steps for the restructuring of the insurance industry."

The Government is currently processing a Bill for giving statutory basis to the Insurance Regulatory Authority. Other measures for reform of the insurance sector are being examined in consultation with the Insurance Regulatory Authority.

Amendment in Black Money Seizure Laws

362. SHRI LAKHIRAM AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether black money seizure laws are being amended;

(b) if so, the details thereof; and

(c) the reasons for brining changes in the laws?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c) A Bill is being introduced in the current session of Parliament. The details of amendments along with the reasons thereof will be known at the time of the introduction of the Bill.

Mismanagement/Non-Utilisation of Assets by Central Bank of India

363 : SHRI SURYABHAN PATIL VAHADANE : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware about the mismanagement and non-utilisation of assets by Central Bank of India in and Mumbai;

(b) whether Government's attention has been drawn to the news item published in a Marathi daily Maharashtra Times (9th October, 1996 Mumbai edition) in this regard;

(c) whether it is a fact that due to this mismanagement and non-utilisation, the bank is accruing huge financial losses; and

(d) if so, what action is being taken against the erring officials of the bank and what steps are proposed to be taken in the matter to make things right by Government?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Central Bank of India has reported that most of the assets owned by the Bank in and around Mumbai have been put to proper use except for a premises in Belapur area which is in partial use due to non-availability of infrastructural facilities.

(b) Yes, Sir.

(c) and (d) With a gradual improvement in transportation and communication facilities the Bank is in the process of shifting some of the administrative departments to this premises. Steps such as construction of residential flats, leasing out some portion of the premises, etc. are also being taken by the Bank to make full use of the premises and make good any financial loss.

Study by RBI on Rural Credit through IRDP Schemes

364. SHRI VAYALAR RAVI : Will the Minister of FINANCE be pleased to state :

(a) whether the RBI has made study on the impact of the rural credit through the IRDP and government subsidy for the poverty eradication programme;

(b) whether it is a fact that the study exposed many shortcomings; and

(c) if so, the steps taken to improve the system of rural finance and success of IRDP schemes?